Approved For Release 2001/09/03: CIA RDP81-00728R000100020020-0

CENTRAL INTEG LIGENCE AGENCY Washington, D. C.

25X1A ADMINISTRATIVE INSTRUCTION NO.

20 December 1950

SUBJECT: Procurement Policies and Procedures

OGC Has Reviewed

1. Basic Policies

The Agency shall use that method of procurement most advantageous to the Government; price, quality, security, and other factors considered. Vouchered funds shall be employed wherever practicable.

2. Unvouchered Funds

- a. Unvouchered funds may be employed only where the necessity therefor has been determined as provided in Confidential Funds Regulations 8.0 and 8.1, which will be principally in cases involving security of operations.
- b. Procurement may be effected by negotiation or advertisement, in accordance with Confidential Funds Regulations.

3. Vouchered Funds

a. Procurement from vouchered funds will normally be made by advertising, in accordance with Armed Services Procurement Regulations (A.S.P.R.), Section II.

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- (1) determined to be necessary in the public interest during the period of a national emergency declared by the President or by the Congress;
- (2) the public exigency will not admit of the delay incident to advertising;
 - (3) the aggregate amount involved does not exceed \$1,000;
 - (4) for personal or professional services;
- (5) for any service to be rendered by any university, college, or other educational institution;
- (6) the supplies or services are to be procured and used outside the limits of the United States and its possessions;
- (7) for supplies or services for which it is impracticable to secure competition;
- (8) for supplies or services as to which it is determined that the character, ingredients, or components thereof are such that the purchase or contract should not be publicly disclosed;
- (9) for supplies or services as to which it is determined that the bid prices after advertising are not reasonable or have not been independently arrived at in open competition.

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- c. The authority given in subparagraph b(1), above, shall not be exercised except as may be provided in written instructions issued by the Deputy Director for Administration. The determinations to be made in subparagraphs b(2) and b(7), above, shall be made by a Contracting Officer on the basis of written findings made by him. The determinations provided for in subparagraphs b(8) and b(9) shall be made by the Deputy Director for Administration on the basis of written findings. The findings in subparagraph b(9) shall include a statement that notification of the intent to negotiate and reasonable opportunity to negotiate was given to each responsible bidder, that the negotiated price is lower than the lowest rejected bid price of a responsible bidder, and that the negotiated price is the lowest negotiated price offered by any substantial supplier.
- d. The negotiation of contracts as provided in paragraph b, above, shall be conducted, so far as practicable, in accordance with Section III of the Armed Services Procurement Regulations.
- 4. Special Types of Contracts

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use of such form of contracting shall be made by a Contracting Officer.

5. Advance Payments

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and determination required to justify such payments shall be made by the Deputy Director for Administration.

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WALTER B. SMITH Director

DISTRIBUTION: No. 3

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CENTRAL INTELLIGENCE AGENCY Washington, D. C.

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WALTER B. SMITH Director

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Executive Registry 1-4264

Office Memorandum • UNITED STATES GOVERNMENT

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TO

FROM : Legal Staff

SUBJECT: Regulation

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1. Forwarded herewith, for coordination among the interested offices, is our draft of CIA Regulation

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LAWRENCE R. HOUSTON

General Counsel Preston have seen this

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DATE: 7 November 1950

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CENTRAL INTELLIGENCE AGENCY REGULATION-

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SUPERCE: Procurement Policies and Procedures

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The negotiation of contracts as provided in paragraph B above shall be conducted, so far as practicable, in accordance with Section III of the Armed Services Procurement Regulations.

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